

UNIFIED SCHOOL DISTRICT NO. 354
Clafin, Kansas

Financial Statements with Independent Auditors' Report

For the Year Ended June 30, 2007

UNIFIED SCHOOL DISTRICT NO. 354
Financial Statements with Independent Auditors' Report
For the Year Ended June 30, 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 354
Claflin, KS 67525

We have audited the accompanying financial statements of **Unified School District No. 354, Claflin, Kansas**, as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of **Unified School District No. 354, Claflin, Kansas'** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, **Unified School District No. 354, Claflin, Kansas** prepares its financial statements using accounting practices prescribed or permitted by the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 354, Claflin, Kansas**, as of June 30, 2007, or changes in financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Unified School District No. 354, Claflin, Kansas**, as of June 30, 2007, their respective cash receipts and disbursements and budgetary results for the year then ended, on the basis of accounting described in Note 1.

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

November 5, 2007

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UNIFIED SCHOOL DISTRICT NO. 354
Gladwin, Kansas
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2007

Fund	Beginning Unencumbered Cash Balance	Prior Period Restatement	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Funds								
General Fund	\$ (100,181)	-	-	2,260,837	2,283,543	(122,887)	10,442	(112,445)
Supplemental General Fund	5,741	-	-	437,804	445,000	(1,455)	788	(667)
Special Revenue Funds								
Capital Outlay Fund	194,258	(33,445)	13,378	174,205	127,110	221,286	79,513	300,799
Driver Training Fund	9,709	-	-	5,184	5,603	9,290	-	9,290
Food Service Fund	40,477	-	-	155,172	152,363	43,286	-	43,286
Professional Development Fund	3,845	-	-	22,549	18,770	7,624	-	7,624
Special Education Fund	35,517	-	-	357,317	350,628	42,206	-	42,206
Vocational Education Fund	-	-	-	69,636	69,636	-	238	238
Recreation Commission Fund	1,569	-	-	21,808	21,368	2,009	-	2,009
KPERS Special Retirement Contribution Fund	-	-	-	104,097	104,097	-	-	-
At Risk (K-12) Fund	9	-	-	53,000	51,919	1,090	-	1,090
Contingency Reserve Fund	-	-	-	14,810	-	14,810	-	14,810
Textbook Rental Fund	44,431	-	-	9,555	39,068	14,918	8,786	23,704
Title I Fund	14,358	-	-	33,357	39,897	7,818	-	7,818
Title V Fund	-	-	-	519	519	-	-	-
R.E.A.P. Grant #5 Fund	-	-	-	25,003	25,002	1	589	590
Title II A - Teacher Quality Fund	-	-	-	13,091	12,064	1,027	-	1,027
Title II D - Education Technology Fund	-	-	-	326	326	-	-	-
KAN - ED Technology and Equipment Grant Fund	-	-	-	-	291	-	-	-
EETT Grant	291	-	-	54,100	54,102	-	11,221	11,221
District Activity Funds - Gate Receipts	2	-	-	28,135	31,171	346	-	346
District Activity Funds - School Project Accounts	3,382	-	-	22,406	24,466	3,966	-	3,966
Debt Service Fund	6,026	-	-	-	-	-	-	-
Bond and Interest Fund	74,630	-	-	13,661	88,291	-	-	-
Total Government (Excluding Agency Funds)	\$ 334,064	(33,445)	13,378	3,876,572	3,945,234	245,335	111,577	356,912
Composition of Cash:								
				Checking Accounts				(62,596)
				Savings Account				34,846
				Certificates of Deposit				410,000
				Total Cash				382,250
				Less Agency Funds per Statement 4				(25,338)
				Total Primary Government (Excluding Agency Funds)				\$ 356,912

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354
Claflin, Kansas
 Summary of Expenditures - Actual and Budget
 For the Year Ended June 30, 2007

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Favorable (Unfavorable)
Governmental Funds						
General Fund	\$ 2,362,578	(79,035)	-	2,283,543	2,283,543	-
Supplemental General Fund	445,000	-	-	445,000	445,000	-
Special Revenue Funds						
Capital Outlay Fund	329,980	-	-	329,980	127,110	202,870
Driver Training Fund	13,909	-	-	13,909	5,603	8,306
Food Service Fund	188,615	-	-	188,615	152,363	36,252
Professional Development Fund	22,670	-	-	22,670	18,770	3,900
Special Education Fund	425,297	-	-	425,297	350,628	74,669
Vocational Education Fund	85,000	-	-	85,000	69,636	15,364
Recreation Commission Fund	21,368	-	-	21,368	21,368	-
KPERS Special Retirement Contribution Fund	110,429	-	-	110,429	104,097	6,332
At Risk (K-12) Fund	90,009	-	-	90,009	51,919	38,090
Debt Service Fund						
Bond and Interest Fund	92,038	-	-	92,038	88,291	3,747

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354
Clafin, Kansas
General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2007
(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 307,718	374,079	383,814	(9,735)
Intergovernmental Revenue				
Mineral Production Tax	15,903	17,651	-	17,651
Equalization Aid	1,815,939	1,628,254	1,628,051	203
State Aid	247,559	240,853	271,644	(30,791)
Total Cash Receipts	<u>2,387,119</u>	<u>2,260,837</u>	<u>2,283,509</u>	<u>(22,672)</u>
Expenditures				
Instruction	1,056,356	1,102,629	1,113,138	10,509
Student Support Services	83,087	83,488	82,360	(1,128)
Instructional Support Services	69,017	73,481	70,540	(2,941)
General Administration	175,374	156,540	159,335	2,795
School Administration	187,014	183,509	182,910	(599)
Operations and Maintenance	204,225	170,801	199,205	28,404
Student Transportation Services	128,536	113,440	134,310	20,870
Operating Transfers	404,111	399,655	420,780	21,125
Adjustment to Comply With Legal Max	-	-	(79,035)	(79,035)
Total Expenditures and Legal General Fund Budget	<u>2,307,720</u>	<u>2,283,543</u>	<u>2,283,543</u>	<u>-</u>
Receipts Over (Under) Expenditures	79,399	(22,706)		
Unencumbered Cash, July 1	(179,614)	(100,181)		
Prior Year Cancelled Encumbrances	<u>34</u>	<u>-</u>		
Unencumbered Cash, June 30	<u>\$ (100,181)</u>	<u>(122,887)</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

Supplemental General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 212,433	303,158	334,429	(31,271)
Intergovernmental Revenue				
Equalization Aid	140,360	134,646	130,786	3,860
Total Cash Receipts	352,793	437,804	465,215	(27,411)
Expenditures				
Instruction	126,129	95,699	114,450	18,751
Instructional Support Services	17,026	13,048	16,000	2,952
General Administration	3,139	10,639	7,050	(3,589)
School Administration	499	7,984	6,883	(1,101)
Operations and Maintenance	111,896	141,519	122,616	(18,903)
Student Transportation Services	-	11,002	10,000	(1,002)
Other Supplemental Services	580	-	-	-
Operating Transfers	95,731	165,109	168,001	2,892
Total Expenditures and Legal Supp. General Fund Budget	355,000	445,000	445,000	-
Receipts Over (Under) Expenditures	(2,207)	(7,196)		
Unencumbered Cash, July 1	7,932	5,741		
Prior Year Cancelled Encumbrances	16	-		
Unencumbered Cash, June 30	\$ 5,741	(1,455)		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Clafflin, Kansas

Capital Outlay Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 73,323	87,237	86,727	510
Intergovernmental Revenue				
State Aid	17,770	14,094	14,224	(130)
Other Local Sources				
Miscellaneous Revenue	28,308	7,770	5,000	2,770
Interest on Idle Funds	33,155	32,968	35,000	(2,032)
Operating Transfers	-	32,136	-	32,136
Total Cash Receipts	<u>152,556</u>	<u>174,205</u>	<u>140,951</u>	<u>33,254</u>
Expenditures				
Instruction	87,019	9,141	65,000	55,859
Instructional Support Services	167	-	150	150
General Administration	6,150	-	2,500	2,500
School Administration	1,553	-	1,500	1,500
Operations and Maintenance	20,205	45,161	25,000	(20,161)
Transportation	31,470	-	52,000	52,000
Other Supplemental Services	4,342	2,471	5,000	2,529
Facility Acquisition and Construction	70,494	70,337	178,830	108,493
Total Expenditures	<u>221,400</u>	<u>127,110</u>	<u>329,980</u>	<u>202,870</u>
Receipts Over (Under) Expenditures	<u>(68,844)</u>	<u>47,095</u>		
Unencumbered Cash, July 1 As Previously Stated	263,102	194,258		
Prior Period Adjustment	-	(33,445)		
Unencumbered Cash, July 1 As Restated	263,102	160,813		
Prior Year Cancelled Encumbrances	-	13,378		
Unencumbered Cash, June 30	<u>\$ 194,258</u>	<u>221,286</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

Driver Training Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 2,366	2,256	2,000	256
Other Local Sources				
Student Fees	2,346	2,928	2,200	728
Total Cash Receipts	<u>4,712</u>	<u>5,184</u>	<u>4,200</u>	<u>984</u>
Expenditures				
Instruction	3,430	3,645	4,080	435
Vehicle Operating Services	1,912	1,958	9,829	7,871
Total Expenditures	<u>5,342</u>	<u>5,603</u>	<u>13,909</u>	<u>8,306</u>
Receipts Over (Under) Expenditures	(630)	(419)		
Unencumbered Cash, July 1	10,339	9,709		
Unencumbered Cash, June 30	\$ <u>9,709</u>	<u>9,290</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 1,842	1,757	1,774	(17)
Federal Aid	48,457	41,923	45,580	(3,657)
Other Local Sources				
Lunch Receipts - Students	54,240	54,189	49,410	4,779
Lunch Receipts - Adults	7,853	6,768	6,375	393
Miscellaneous	-	535	-	535
Operating Transfers	43,982	50,000	45,000	5,000
Total Cash Receipts	<u>156,374</u>	<u>155,172</u>	<u>148,139</u>	<u>7,033</u>
Expenditures				
Food Service Operation	<u>155,649</u>	<u>152,363</u>	<u>188,615</u>	<u>36,252</u>
Receipts Over (Under) Expenditures	725	2,809		
Unencumbered Cash, July 1	<u>39,752</u>	<u>40,477</u>		
Unencumbered Cash, June 30	<u>\$ 40,477</u>	<u>43,286</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

Professional Development Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 1,904	2,548	1,824	724
Other Local Sources				
Operating Transfers	16,953	20,001	17,001	3,000
Total Cash Receipts	18,857	22,549	18,825	3,724
Expenditures				
Instructional Support Services	28,767	18,770	22,670	3,900
Receipts Over (Under) Expenditures	(9,910)	3,779		
Unencumbered Cash, July 1	13,755	3,845		
Unencumbered Cash, June 30	\$ 3,845	7,624		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 348,549	357,317	389,780	(32,463)
Expenditures				
Instruction	320,770	322,411	366,280	43,869
Vehicle Operating Services	32,015	28,217	59,017	30,800
Total Expenditures	352,785	350,628	425,297	74,669
Receipts Over (Under) Expenditures	(4,236)	6,689		
Unencumbered Cash, July 1	39,753	35,517		
Unencumbered Cash, June 30	\$ 35,517	42,206		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

Vocational Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 77,207	69,636	85,000	(15,364)
Expenditures				
Instruction	77,207	69,636	85,000	15,364
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354
 Claflin, Kansas
 Recreation Commission Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 18,324	21,808	21,601	207
Expenditures				
Community Service Operations	19,214	21,368	21,368	-
Receipts Over (Under) Expenditures	(890)	440		
Unencumbered Cash, July 1	2,459	1,569		
Unencumbered Cash, June 30	\$ 1,569	2,009		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354
 Claflin, Kansas
KPERS Special Retirement Contribution Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
KPERS Contributions	\$ 92,797	104,097	110,429	(6,332)
Expenditures				
Instruction	60,997	66,697	69,903	3,206
Student Support Services	4,000	4,500	4,584	84
Instructional Support Services	3,200	3,750	3,668	(82)
General Administration	2,800	3,450	3,209	(241)
School Administration	8,800	10,700	11,853	1,153
Operations and Maintenance	5,200	6,200	10,438	4,238
Student Transportation Services	3,900	4,200	4,479	279
Food Service	3,900	4,600	2,295	(2,305)
Total Expenditures	92,797	104,097	110,429	6,332
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

At-Risk (K-12) Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Local Sources				
Operating Transfers	\$ 46,000	53,000	90,000	(37,000)
Expenditures				
Instruction	45,991	51,919	90,009	38,090
Receipts Over (Under) Expenditures	9	1,081		
Unencumbered Cash, July 1	-	9		
Unencumbered Cash, June 30	\$ 9	1,090		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354
 Claflin, Kansas
 Contingency Reserve Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ -	14,810
Expenditures		
Instruction	19,368	-
Operations & Maintenance	29,213	-
Operating Transfers	32,849	-
Total Expenditures	81,430	-
Receipts Over (Under) Expenditures	(81,430)	14,810
Unencumbered Cash, July 1	81,430	-
Unencumbered Cash, June 30	\$ -	14,810

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Clafflin, Kansas

Textbook Rental Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Book Rental Fees	\$ 8,278	8,225
Technology Fees	1,150	1,330
Total Cash Receipts	9,428	9,555
Expenditures		
Instruction	10,636	39,068
Receipts Over (Under) Expenditures	(1,208)	(29,513)
Unencumbered Cash, July 1	45,639	44,431
Unencumbered Cash, June 30	\$ 44,431	14,918

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Clafflin, Kansas

Title I Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 32,691	33,357
Expenditures		
Instruction	18,333	25,539
Instruction - Carry Over	1	14,358
Total Expenditures	18,334	39,897
Receipts Over (Under) Expenditures	14,357	(6,540)
Unencumbered Cash, July 1	1	14,358
Unencumbered Cash, June 30	\$ 14,358	7,818

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

Title V Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 1,038	519
Expenditures		
Student Support Services	1,605	519
Receipts Over (Under) Expenditures	(567)	-
Unencumbered Cash, July 1	567	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

R.E.A.P. Grant #4 Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 28,618	-
Expenditures		
Instruction	28,618	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

R.E.A.P. Grant #5 Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ -	25,003
Expenditures		
Instruction	-	25,002
Receipts Over (Under) Expenditures	-	1
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	1

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354
Claflin, Kansas
Title II A - Teacher Quality Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2007
(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 13,160	13,091
Expenditures		
Instruction	13,160	12,064
Student Support Services	7,262	-
Total Expenditures	20,422	12,064
Receipts Over (Under) Expenditures	(7,262)	1,027
Unencumbered Cash, July 1	7,262	-
Unencumbered Cash, June 30	\$ -	1,027

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354
 Claflin, Kansas
 Title II D - Education Technology Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 687	326
Expenditures		
Instruction	687	326
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354
 Claflin, Kansas
 KAN - ED Technology and Equipment Grant Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Aid	\$ -	-
Expenditures		
Instruction	7,820	291
Receipts Over (Under) Expenditures	(7,820)	(291)
Unencumbered Cash, July 1	8,111	291
Unencumbered Cash, June 30	\$ 291	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

EETT Grant Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 45,900	54,100
Expenditures		
Instruction	45,898	54,102
Receipts Over (Under) Expenditures	2	(2)
Unencumbered Cash, July 1	-	2
Unencumbered Cash, June 30	\$ 2	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354
 Claflin, Kansas
 Agency Funds
 Summary of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2007

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Band	\$ 219	497	500	216
Class of 2006	1,259	94	1,353	-
Class of 2007	12,316	9,710	21,191	835
Class of 2008	7,171	1,158	4,173	4,156
Class of 2009	3,315	5,065	2,589	5,791
Class of 2010	-	1,019	-	1,019
C-Club	571	732	393	910
FFA	2,756	2,457	2,012	3,201
NHS	323	100	71	352
STUCO - Senior High School	51	4,465	4,900	(384)
STUCO - Junior High School	413	829	1,018	224
Yearbook	5,234	10,279	10,481	5,032
Cheerleaders	4,751	11,447	15,439	759
Drug Awareness	481	2	-	483
Scholar's Bowl	305	105	178	232
Gifted	244	1	-	245
Subtotal High School	<u>39,409</u>	<u>47,960</u>	<u>64,298</u>	<u>23,071</u>
Grade School				
STUCO	<u>2,204</u>	<u>7,480</u>	<u>7,417</u>	<u>2,267</u>
Total Student Organizations	<u>\$ 41,613</u>	<u>55,440</u>	<u>71,715</u>	<u>25,338</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354
Claflin, Kansas
District Activity Funds
Statement of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2007

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
High School							
Athletics	\$ 1,057	-	26,930	29,969	(1,982)	-	(1,982)
Play	2,325	-	1,205	1,202	2,328	-	2,328
Total Gate Receipts	3,382	-	28,135	31,171	346	-	346
School Projects							
High School							
Concessions	(97)	-	22,406	23,093	(784)	-	(784)
Grade School							
L.E.A.D.	240	-	-	-	240	-	240
Carnival Fund	5,883	-	-	1,373	4,510	-	4,510
Subtotal Grade School	6,123	-	-	1,373	4,750	-	4,750
Total School Projects	6,026	-	22,406	24,466	3,966	-	3,966
Total District Activity Funds	\$ 9,408	-	50,541	55,637	4,312	-	4,312

UNIFIED SCHOOL DISTRICT NO. 354

Claflin, Kansas

Bond and Interest Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 11,156	4,115	14,686	(10,571)
Intergovernmental Revenue				
State Aid	15,194	9,546	9,546	-
Total Cash Receipts	<u>26,350</u>	<u>13,661</u>	<u>24,232</u>	<u>(10,571)</u>
Expenditures				
Principal	55,000	55,000	55,000	-
Interest	3,438	1,155	3,000	1,845
Operating Transfers	-	32,136	34,038	1,902
Total Expenditures	<u>58,438</u>	<u>88,291</u>	<u>92,038</u>	<u>3,747</u>
Receipts Over (Under) Expenditures	(32,088)	(74,630)		
Unencumbered Cash, July 1	<u>106,718</u>	<u>74,630</u>		
Unencumbered Cash, June 30	\$ <u>74,630</u>	<u>-</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 354

Notes to Financial Statements

June 30, 2007

1. Summary of Significant Accounting Policies

The District has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

A. Financial Reporting Entity

Unified School District No. 354, Claflin, Kansas, is a municipal corporation governed by an elected board. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding sources.

The financial statements of the District consist of all the funds of the District and governmental entities that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no such entities under its control.

B. Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2007:

Governmental Funds

General Fund - reports as the primary fund of the District. The fund is used to account for all financial resources not reported in other funds.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expend for specific purposes.

Debt Service Fund - to account for the accumulation of resources for and the payment of interest and principal on general long-term debt and the financing of special assessments which are general obligations of the District.

Fiduciary Fund

Student Activity Fund - an agency fund that accounts for the receipts and disbursements of monies from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

UNIFIED SCHOOL DISTRICT NO. 354

Notes to Financial Statements

June 30, 2007

C. Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the statutory basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

D. Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

E. Accounting for Capital Assets and Depreciation

The District does not maintain a record of capital assets used in performance of general government operations as required by generally accepted accounting principles.

F. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute) and Debt Service Funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget notice and of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

UNIFIED SCHOOL DISTRICT NO. 354
Notes to Financial Statements
June 30, 2007

F. Budgetary Information (cont.)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unused budget expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds and the following special revenue funds: Contingency Reserve, Textbook Rental, Title I, Title V, R.E.A.P. Grant #5, Title II A – Teacher Quality, Title II D – Education Technology, KAN-ED Technology and Equipment Grant, EETT Grant, Gate Receipts, and School Project Accounts.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

G. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the governmental funds.

H. Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund type in the Summary of Cash Receipts, Expenditures, and Unencumbered Cash.

At June 30, 2007, the District had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

UNIFIED SCHOOL DISTRICT NO. 354

Notes to Financial Statements

June 30, 2007

H. Deposits and Investments (cont.)

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not use peak depository coverage. All deposits were legally secured at June 30, 2007.

At June 30, 2007, the District's carrying amount of deposits was \$382,250 and the bank balance was \$652,995. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$200,000 was covered by federal depository insurance and \$452,995 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

I. Property Tax Calendar

Property taxes are collected and remitted to the District by the County Treasurer. Taxes levied annually on November 1st are due one half by December 20th and one half by May 10th. Major property tax payments are received December through June and are recognized as revenue in the year received.

J. Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures during the year of purchase as required by state statutes.

K. Compensated Absences

The District's contracts with various employees permit employees to accumulate various amounts of vacation time and sick leave. The contract states that accumulated vacation time must be taken by the contract date or the time will be lost. Accumulated sick leave is limited to a maximum of seventy days for teachers and eighty days for all other District employees. Accumulated sick leave for personnel who have achieved five or more years of service will be paid for half of sick leave days accumulated at \$10 per day for a maximum of \$325 upon leaving the school system. The total potential liability for sick leave of the District as June 30, 2007 was approximately \$10,170. This potential liability is shown in Note 10 – Long Term Debt.

L. Defined Benefit Pension Plan

Plan Description. - Unified School District No. 354, Claflin, Kansas participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S. Kansas, Suite 100; Topeka, KS 66603-3803) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 354
Notes to Financial Statements
June 30, 2007

L. Defined Benefit Pension Plan (cont.)

Funding Policy. - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 6.77% of covered payroll for the fiscal year ended June 30, 2007. These contributions requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all public school employees for the years ending June 30, 2007, 2006, and 2005, were \$192,425,626, \$159,728,918, and \$138,176,951, respectively, equal to the required contributions for each year.

M. Deferred Compensation Plan

The District sponsors a deferred compensation plan under the Internal Revenue Code Section 403(b). Permanent and part time employees are eligible to participate under the plan. The employer is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

N. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the District for this coverage. The Premium is paid in full by the insured. There is no cost to the government under this program.

2. Transfers and Payments

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis as authorized by Kansas Statutes. The District's operating transfers and statutory authority for June 30, 2007 were as follows:

From	To	Statutory Authority	Amount
General	Vocational Education	K.S.A. 72-6421	\$ 40,423
General	Special Education	K.S.A. 72-6420	261,422
General	Food Service	K.S.A. 72-5119	35,000
General	Contingency Reserve	K.S.A. 72-6426	14,810
General	At Risk (K-12)	K.S.A. 72-6414a	48,000
Supplemental General	Vocational Education	K.S.A. 72-6421	29,213
Supplemental General	Special Education	K.S.A. 72-6420	95,895
Supplemental General	Food Service	K.S.A. 72-5119	15,000
Supplemental General	Professional Development	K.S.A. 72-9609	20,001
Supplemental General	At Risk (K-12)	K.S.A. 72-6414a	5,000
Bond and Interest	Capital Outlay	K.S.A. 72-8804	32,136
	Total		\$ 596,900

UNIFIED SCHOOL DISTRICT NO. 354

Notes to Financial Statements

June 30, 2007

3. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Risk Management Claims & Judgements

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The District has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other Districts in the State to participate in the Kansas Association of School Boards Risk Management Services, a public entity risk pool currently operating as a common risk management and insurance program. The District pays an annual premium to the Kansas Association of School Boards Risk Management Services for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Risk Management Services will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Association of School Boards Risk Management Services' Management.

The District carries commercial insurance for all other risks of loss, including property, general liability, inland marine, auto, linebacker, fidelity bond, and comprehensive collision insurance.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three calendar years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At June 30, 2007, the financial statements do not include liabilities for anticipated costs.

5. Litigation

The District is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the funds of the District.

6. Grants and Shared Revenues

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audits, is not believed to be material.

7. Comparative Data

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in the District's cash and unencumbered cash balances. However, complete comparative data (i.e., presentation of prior year totals in Statement) has not been presented since their inclusion would make certain statements unduly complex and difficult to read.

UNIFIED SCHOOL DISTRICT NO. 354

Notes to Financial Statements

June 30, 2007

8. Prior Period Restatement

The District had entered into an agreement with John Henzel Tennis Court Systems as of June 30, 2006. The unencumbered cash balance at June 30, 2006 in the Capital Outlay Fund should have been \$160,813.

A property lease/purchase agreement was entered into on December 16, 2005 with First Kansas Bank for \$58,794. This agreement was omitted from the June 30, 2006 audit report. Two additional property lease/purchase agreements were entered into on February 3, 2006 for \$16,331 and March 21, 2006 for \$25,210 with First Kansas Bank. These agreements were also omitted from the June 30, 2006 audit report. The ending balance of all three agreements at June 30, 2006 was \$66,891. See Note 10 – Long Term Debt for current activity of the agreements.

9. Compliance with Kansas Statutes

Expenditures exceeded available monies in the following funds which is in violation of K.S.A. 10-1113.

Gate Receipts – High School Athletics	\$ (1,982)
School Projects – High School Concessions	(784)
STUCO – Senior High School	(384)

10. Long Term Debt

The District has the following types of Long Term Debt:

General Obligation Bonds – The District issued general obligation bonds in the amount of \$250,000 to finance various school improvements.

Property Lease/Purchase Agreement – The District has entered into several property lease/purchase agreements to finance tennis court repairs.

Changes in long term debt for the District at June 30, 2007 and current maturities of long term debt and interest through maturity are included on the next two pages.

11. Subsequent Events

On October 1, 2007, the Board voted to release the final tennis court payment to John Henzel Tennis Courts, retaining 10% for future repairs to the tennis courts. The entire final payment in the amount of \$33,445 was as an encumbrance at June 30, 2006. A prior year cancelled encumbrance in the amount of \$13,378, which is 10% of the contract price, has been shown for the year ended June 30, 2007.

UNIFIED SCHOOL DISTRICT NO. 354

Clafflin, Kansas

Note 10 - Statement of Changes in Long Term Debt
For the Year Ended June 30, 2007

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Capital Leases										
Tennis Courts	4.25%	12/16/05	\$ 58,794	06/10/08	\$ 39,196	-	(19,598)	(19,598)	19,598	1,651
Tennis Courts	4.25%	02/03/06	16,331	06/10/08	10,888	-	(5,444)	(5,444)	5,444	463
Tennis Courts	4.45%	03/21/06	25,210	06/10/08	16,807	-	(8,403)	(8,403)	8,404	747
Total Capital Leases			100,335		66,891	-	(33,445)	(33,445)	33,446	2,861
General Obligation Bonds										
Series 2001	4.00-4.75%	03/15/01	250,000	10/01/06	55,000	-	(55,000)	(55,000)	-	1,155
Total Contractual Indebtedness			350,335		121,891	-	(88,445)	(88,445)	33,446	4,016
Amount to be Provided for Compensated Absence	N/A	N/A	N/A	N/A	10,415	-	-	(245)	10,170	-
Total Long Term Debt			\$ 350,335		\$ 132,306	-	(88,445)	(88,690)	43,616	4,016

UNIFIED SCHOOL DISTRICT NO. 354
Claflin, Kansas
Note 10 - Schedule of Maturity of Long Term Debt
For the Year Ended June 30, 2007

	<u>6/30/2008</u>
Principal	
Capital Leases - Tennis Courts	\$ 19,598
Capital Leases - Tennis Courts	5,444
Capital Leases - Tennis Courts	<u>8,404</u>
Total Principal	33,446
Interest	
Capital Leases - Tennis Courts	835
Capital Leases - Tennis Courts	232
Capital Leases - Tennis Courts	<u>375</u>
Total Interest	<u>1,442</u>
Total Principal and Interest	\$ <u><u>34,888</u></u>

UNIFIED SCHOOL DISTRICT NO. 354

Notes to Financial Statements

June 30, 2007

12. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these Statutes.

UNIFIED SCHOOL DISTRICT NO. 354

Clafin, Kansas

General Fund

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2007

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
Taxes and Shared Revenues			
Taxes	\$ 374,079	383,814	(9,735)
Intergovernmental Revenue			
Mineral Production Tax	17,651	-	17,651
Equalization Aid	1,652,212	1,628,051	24,161
State Aid	240,853	271,644	(30,791)
Total Statutory Revenues	<u>2,284,795</u>	<u>2,283,509</u>	<u>1,286</u>
Expenditures			
Instruction	1,102,629	1,113,138	10,509
Student Support Services	83,488	82,360	(1,128)
Instructional Support Services	73,481	70,540	(2,941)
General Administration	156,540	159,335	2,795
School Administration	183,509	182,910	(599)
Operations and Maintenance	170,801	199,205	28,404
Student Transportation Services	113,440	134,310	20,870
Operating Transfers	399,655	420,780	21,125
Adjustment to Comply With Legal Max	-	(79,035)	(79,035)
Total Expenditures and Legal General Fund Budget	<u>2,283,543</u>	<u>2,283,543</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	1,252		
Modified Unencumbered Cash, July 1	<u>34</u>		
Modified Unencumbered Cash, June 30	<u>\$ 1,286</u>		

UNIFIED SCHOOL DISTRICT NO. 354

Notes to Financial Statements

June 30, 2007

12. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (cont.)**UNIFIED SCHOOL DISTRICT NO. 354**

Claflin, Kansas

Supplemental General Fund

Statutory Revenues and Expenditures - Statutory and Budget

For the Year Ended June 30, 2007

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues			
Taxes and Shared Revenues			
Taxes	\$ 303,158	334,429	(31,271)
Intergovernmental Revenue			
Equalization Aid	130,786	130,786	-
Total Statutory Revenues	<u>433,944</u>	<u>465,215</u>	<u>(31,271)</u>
Expenditures			
Instruction	95,699	114,450	18,751
Instructional Support Services	13,048	16,000	2,952
General Administration	10,639	7,050	(3,589)
School Administration	7,984	6,883	(1,101)
Operations and Maintenance	141,519	122,616	(18,903)
Student Transportation Services	11,002	10,000	(1,002)
Operating Transfers	165,109	168,001	2,892
Total Expenditures and Legal Supp. General Fund Budget	<u>445,000</u>	<u>445,000</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	(11,056)		
Modified Unencumbered Cash, July 1	<u>20,321</u>		
Modified Unencumbered Cash, June 30	<u>\$ 9,265</u>		